HOMEOWNER
EDUCATION

PRIMER

AN INTRODUCTION TO COMMUNITY ASSOCIATION LIVING



community
ASSOCIATIONS INSTITUTE

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CAI is a national, nonprofit 501(c)6 association created in 1973 to educate and provide resources to America's community association industry. Its members include: condominium and homeowner associations, cooperatives, and planned communities of all sizes; community managers and management firms; builders and developers; and attorneys, accountants, lenders, reserve specialists, insurance providers, and other providers of professional services and products for community associations. CAI has 55 chapters throughout the United States. Each chapter has their own menu of programs and services and serve geographic areas, entire states, and multiple states. CAI estimates that there are currently 250,000 community associations in the United States.

CAI HOMEOWNER EDUCATION

Homeowners can maximize the benefits of community association living by better understanding the history, purpose, and function of community associations. One way to do so is by attending one of the homeowner education programs offered by local CAI chapters.

CAI considers homeowner education to be the centerpiece of its direct services to homeowners and volunteer leaders. CAI offers three levels of homeowner education programs: *Primer, Essentials*, and *Selected Topics in Community Association Leadership*. This three-tier curriculum assists in meeting the Institute's mission to educate association members and to introduce them to the operation of community associations. After completing CAI's homeowner education programs, participants will have the specialized tools and skills needed to make their role and activities as homeowners, volunteer community leaders, and association officers more focused and effective.

TIER 1: PRIMER

A basic introduction for homeowners new to community association living, the primer serves as both a stand-alone reference guide on community associations and as the student manual for a short, three hour course offered by your local chapter. This text focuses on the rights and responsibilities of a homeowner and the role of a homeowner as a volunteer. Homeowners learn about the key documents that govern community associations, the function of association boards of directors, and what they can expect from community managers. They also gain a greater understanding of exactly how a community association works from both an organizational and people standpoint, and how they can enjoy and benefit the most from community association living. Those who choose to attend the course have the opportunity to receive advice from industry professionals and to network locally.

Reading materials: *An Introduction to Community Association Living*

TIER 2: ESSENTIALS

The second tier of CAI's homeowner education program, titled *Essentials*, is designed for homeowners interested in moving into a leadership position or playing a more active volunteer role in their community association. The *Essentials* is offered as a course by CAI chapters and is the logical next step in preparing homeowners to take on an expanded leadership role in their community associations. In this one-day, intensive program, participants will expand their knowledge of the inner workings of community associations and learn how to apply a basic problem-solving approach to address key issues. Participants will come away from the course with in-depth knowledge of communications, community-building policies, and association problem-solving skills that can make them far more effective community members and volunteer leaders.

Class materials: *ABCs: A Basic Course for Community Associations*, by Katharine Rosenberry, ESQ.

TIER 3: SELECTED TOPICS IN COMMUNITY ASSOCIATION LEADERSHIP

The third tier of CAI's homeowner education program, titled *Selected Topics in Community Association Leadership*, focuses on providing homeowners and volunteer leaders with advanced tools and skills to better serve their community associations. The *Selected Topics in Community Association Leadership* curriculum utilizes seven independent program modules offering in-depth, topic-specific training. Each module in this series is approximately two hours in length and may be offered alone or in combination with other modules. The module topics include *Building Community, Conflict Resolution, Insurance Matters*, and *Assembling the Professional Team*, among others. The *Building Community* program is the cornerstone of the series, and should be completed first; the other six programs may be taken in any convenient order.

Class materials: *Advanced ABCs* modules

Contact your local chapter for a schedule of upcoming education programs. To find your chapter call CAI at (703) 548-8600 or visit www.caionline.org.

CONTENTS



INTRODUCTION

The purpose of *An Introduction to Community Association Living* is to introduce homeowners to community associations, provide a greater understanding of exactly how a community association works from both an organizational and people standpoint, and to endow homeowners with the information necessary for fully enjoying and benefiting from community association living.

LEARNING OBJECTIVES

After reading this publication or completing the course, you should be able to:

- Define the term "community association" and articulate the three characteristics common to all community associations.
- Describe the three different kinds of community associations—from a real estate organization standpoint.
- Explain the differences between the various types of governing documents and state the relative importance of each.
- Describe the major components of a community association—rules and regulations, governance, and community management.
- Understand the basic relationship between homeowner association members and their operating boards.
- Detail the rights and responsibilities of homeowners as members of a community association.



Section 1

WHAT IS A COMMUNITY ASSOCIATION?

"Automatic and mandatory homeowners associations are part of an overall concept of residential property ownership. Purchase of the home or lot brings with it membership in the association which provides the structure for operation and management of the residential community concept. Membership includes certain mandatory obligations, financial responsibilities and rules of the association."

—*The Homeowners Association Manual*, by Peter M. Dunbar, ESQ.

By purchasing into a community association, be it a condominium unit, townhome, or single family home, the homeowner agrees to abide by the community's pre-established guidelines. The homeowner will often live close to his or her neighbors, share common facilities, and voluntarily sacrifice certain freedoms, all for the cause of protecting communal property values and reducing nuisances. Reasonable restrictions, consistently enforced over time, will preserve the net value of the community and maintain a high quality of life for residents.

DEFINITION OF A COMMUNITY ASSOCIATION

A community association provides a communal basis for preserving, maintaining, and enhancing homes and property.

All community associations have three basic, defining characteristics:

1. **Membership in the community association is mandatory and automatic for all owners.** This is unlike other associations whose membership is voluntary.
2. **Certain documents bind all owners to be governed by the community association.** These documents require mutual obligations to be performed by the individual owner and the community.
3. **Mandatory lien-based economic charges or assessments are levied on each owner in order to operate and maintain the community association.**

PURPOSE OF A COMMUNITY ASSOCIATION

People choose to live in community associations for numerous reasons. Many association owners value the inherent benefits offered by community association living. Community associations are designed to:

- Manage common areas of the property
- Manage property interests of homeowners
- Provide services for homeowners
- Develop a sense of community through social activities and/or amenities

> *"….[the homeowners association] gives continuity to the community, it preserves the architectural integrity and it maintains the common properties. Properly run, it promotes the community concept and protects the community's property values."*
>
> **—*The Homeowners Association Manual* by Peter M. Dunbar, ESQ.**

NOMENCLATURE

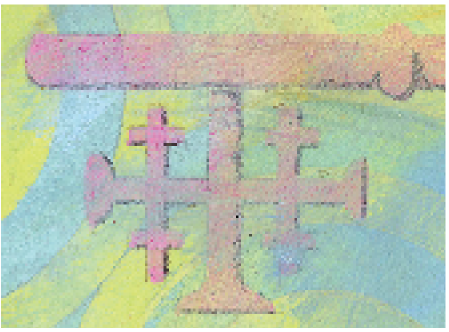
Depending upon the specific organization or U.S. state, community associations are referred to differently. Following are common terms typically used to describe community associations:

1. Community Association (CA): This term is used by Community Associations Institute and by the Bureau of Condominiums of Florida.
2. Common-Interest Community (CIC): This term is used by the National Conference of Commissioners on Uniform State Laws.

3. Common Interest Realty Association (CIRA): This term is used by the American Institute of Certified Public Accountants (AICPA).
4. Common Interest Development (CID): This term is used by the California Department of Real Estate (DRE).

CAI RESOURCES

Community Associations Factbook, by Clifford J. Treese, CPCU, ARM
The Homebuyer and the Community Association, by Community Associations Institute
The Homeowners Association Manual, Fourth Edition, by Peter M. Dunbar, ESQ.



Section 2

TYPES OF COMMUNITY ASSOCIATIONS

Community association is a generic term used to describe residential developments in which each owner is bound to a real estate organization by a set of governing documents that require adherence to a set of rules and the payment of assessments. The money collected in assessments is used for the operation of the association. Community associations are not voluntary organizations; membership is automatic when a unit is purchased. Though real estate practice and terminology varies among organizations and states, it is important to note that the following community association terms and concepts are valid in any locality.

There are three basic types of community associations:

- Planned Community
- Condominium
- Cooperative

PLANNED COMMUNITY

Planned communities are the most common type of community association. Recent estimates indicate that 50–55 percent of all community associations are planned communities.

In a planned community, each purchaser has exclusive ownership to a lot/unit, including the property the lot/unit sits on and the residential

dwelling itself. Each resident generally owns an interest separate from the other owners, coupled with mandatory membership in an association.

The association owns the common area, but the owners have very specific rights and obligations with respect to the common area. Common areas in a planned community include the grounds, recreational areas, and sometimes, the roads. Because most planned communities consist of detached housing, common areas do not generally include walls and roofs, although they may.

There are many types of planned communities including townhouse developments, single family home developments, planned unit developments, planned residential developments, cluster developments, property owners associations, and master planned communities.

CONDOMINIUM

Condominiums are the second most common type of community association. According to recent estimates, 40–45 percent of all community associations are condominiums.

The condominium is a unique form of ownership where the owner typically only owns the air space, but not the physical boundaries of the unit or the land underneath the unit. The owner additionally holds a shared interest in the common area. The separate interest is usually contained within a building.

The owner's fractional shared interest may be equal or based on another system, such as square footage. For example, if there are 100 condominium units, each owner may own 1/100 of the common area or each owner may own a fractional share based on the size of his or her home.

A condominium is distinguished from other community associations by the fact that the owners generally own common area as co-owners. As long as co-owners own some common area, however, the association also may own property, as it does in a cooperative and planned community, depending on state law.

Many people think of condominiums as apartment buildings. However, condominiums come in other forms. In some states, mobile home parks, boat slips, and parking garages also can be condominiums. For example, if the owner of a mobile home has a separate or exclusive interest in the mobile home structure and a shared interest in all the area that is not occupied by a mobile home structure, the park can be a condominium.

COOPERATIVE

Cooperatives are the least common type of community association, constituting approximately 5–7 percent of all community associations. A corporation owns the building or other property that makes up the cooperative. An owner owns a shared interest in the corporation and the exclusive right to occupy or "rent" a specific portion of the cooperative—usually called an apartment. Because most cooperatives are contained within a building, the common area in a cooperative often consists of hallways, elevators, roofs, parking areas, and laundry facilities.

In this type of association, the member is more akin to a shareholder. In cooperatives, the association owns all property, including all the units.

Each of the three types of community associations can exist by themselves, or they can be grouped in clusters termed master associations, umbrella associations or master planned communities. If multiple uses are included, the term mixed use association is used.

CAI RESOURCES

ABCs: A Basic Course for Community Associations, by Katharine Rosenberry, ESQ.
Community Associations Factbook, by Clifford J. Treese, CPCU, ARM



Section 3

LEGAL BASIS FOR COMMUNITY ASSOCIATIONS

In order to effectively live in and participate in a community association, owners must understand the legal basis of community associations and learn the scope and limit of authority of the association board, manager, and service providers. Community associations derive their basic legal authority for their existence, activities, and actions from various sources including:

- Federal, state, and local statutes; regulations; and case law
- Legal documents unique to the community association that bind the association and its owners
- Lender requirements (e.g. requirements set by secondary mortgage institutions)
- Standards set by professional bodies (e.g. auditing standards set by the American Institute of Certified Public Accountants—AICPA)

STATE STATUTES, REGULATIONS, AND COURT DECISIONS

All states have statutes that enable the establishment of condominiums and corporations. *Some* states have statutes that enable the establishment of cooperatives or planned communities. Several states, including Florida and

California, require or regulate such community association budget items as reserves for replacement, audits, insurance, and the conduct of financial operations.

State courts have also made decisions that affect the types of expenses community associations incur. For example, there have been "security" cases involving the adequacy of lighting, patrols, and off-duty police; cases involving parking and sign requirements; and "slip-and-fall" cases involving the adequacy of snow plowing. To find out more about the case law that applies to community associations, review the *Community Association Law Reporter* or consult with an attorney specializing in community association law.

LOCAL LAWS AND REGULATIONS

Local governments may have codes, laws, and, possibly, taxes that associations must meet. Any requirements in these areas will result in expense items for a community's budget.

For example, a local fire code may require such items as sprinkler systems, exit signs, fire extinguishers, or elevator inspections. Local health and safety codes may require pool inspections, water quality tests, or mandatory procedures for sewage disposal or recycling. Property taxes may be levied on land commonly owned by the association. To find out what local laws and regulations apply to your community association, call your local government office or your local elected official.

CAI RESOURCES

Community Association Law: Cases and Materials on Common Interest Communities, by Wayne S. Hyatt, ESQ. and Susan F. French

Community Association Law Reporter, by Wayne S. Hyatt, ESQ., Editor.

Condominium and Homeowner Association Practice: Community Association Law, (Third Edition), by Wayne S. Hyatt, ESQ.

GAP Report #13: How to Select & Use Association Legal Counsel, by Thomas J. Hindman, ESQ. and Lynn S. Jordan, ESQ.

Journal of Community Association Law, by Community Associations Institute.



Section 4

GOVERNING DOCUMENTS

The purpose of a community association's governing documents is to provide for the legal structure and operation of the community.

The documents:

- Define the rights and obligations of both the association and its owners
- Create a binding relationship between each owner and the association
- Establish the mechanisms for governing and funding the association's operations
- Set forth rules and standards for the:
    - Protection of both owners and the community
    - Enhancement of property values
    - Promotion of harmonious living

HIERARCHY OF AUTHORITY

The general hierarchy of authority for governing documents is a loose one because not all documents address all issues involved in operating a community association.

For operating a community association, the general hierarchy of authority among governing documents consists of:

1. Recorded map, plat, or plan
2. Declaration; covenants, conditions, & restrictions; master deed; proprietary lease; or occupancy agreement
3. Articles of incorporation (if incorporated)
4. Bylaws
5. Rules and regulations
6. Other resolutions

RECORDED MAP, PLAT, OR PLAN

Some form of map is an essential document for a condominium or a planned community. A map, plat, or plan is recorded in the County Recorder's office before any lots or units shown on it are sold. The purpose is to show the precise location of each lot or unit, as well as the common areas. The format and content will differ according to local requirements. A map, plat, or plan may help define an owner's or a community's title to property.

On an operational level, it helps determine:

- Who is responsible for maintaining a particular piece of property
- Whether a property improvement is properly located

Some states require cooperatives to submit a legal description of the land involved and an architectural drawing.

DECLARATION, CC&R'S, OR MASTER DEED

An understanding of the declaration; covenants, conditions, & restrictions (CC&R's); or master deed requires an understanding of the rights of ownership first.

Under Anglo-American common law, the ownership of land has been characterized as a "bundle" of rights. In the absence of any restrictions, the landowner traditionally has the full bundle. For example, he or she possesses the right to lease the property, build on it, mortgage it, occupy it, etc.

When people buy a parcel of real estate, the bundle of rights is defined in the deed to the property, as it is in the previous deeds for the same parcel. All of them are recorded in the land records. These documents are sometimes called the "chain of title."

The provisions in deeds which define or limit the rights of ownership are often called deed covenants or deed restrictions. The legal community speaks of these covenants or restrictions as "running with the land." That is, they apply to the land, no matter who owns it in the future.

Instead of inserting all of the same covenants and restrictions into each individual deed in a community development, the developer draws up a declaration of covenants, conditions, and

restrictions—or something with a similar name. The developer records this declaration in the County Recorder's office before any of the real estate is transferred to any other owner.

This means that the declaration is in the chain of title for each piece of real estate. Its terms are binding on the real estate itself, as well as on its original and succeeding purchasers. As a result, the declaration defines the bundle of rights of each owner in the community association.

The declaration, CC&R's, or master deed generally:

- Defines the portions of the development owned by the individual owners and those owned by the community association
- Creates interlocking relationships binding all of the owners to one another and to the association for the purposes of maintaining, governing, and funding the development
- Establishes protective standards, restrictions, and obligations in areas ranging from architectural control to prohibitions on various activities in order to promote harmonious living
- Creates the administrative framework for the operation and management of the association—although many of the specific administrative details are spelled out in the bylaws
- Provides the mechanism for financial support of the association through assessments
- Provides for a transition of control of the association from the developer to the owners

PROPRIETARY LEASE OR OCCUPANCY AGREEMENT

A proprietary lease or occupancy agreement in a stock cooperative defines the member or stockholder's rights and obligations in relation to the living unit. In a stock cooperative, this document serves generally the same purpose as the declaration, CC&R's, or master deed in other associations.

The proprietary lease or occupancy agreement:

- Identifies the premises that the stockholder is permitted to occupy exclusively
- Defines the term of the lease and the rent (sometimes called maintenance) that is payable by the stockholder
- Establishes the powers and obligations of the cooperative's board of directors
- Defines the events which would result in the termination of the proprietary lease

ARTICLES OF INCORPORATION

Incorporation may or may not be a legal requirement for a community association. It is essential for cooperatives to be incorporated because they are based on the corporation concept. Planned communities are almost always set up as not-for-profit, non-stock corporations. Con-

dominiums often are incorporated. However, they do not have to be because they exist under the authority of a state condominium statute.

A community association's corporate structure is established when a developer sets up the association. The developer files articles of incorporation—sometimes called a corporate charter—with the appropriate state corporation agency. Different states have different names for this agency.

The articles of incorporation:

- Bring the corporation into existence
- Define its basic purposes and powers
- Indicate whether stock will be issued
- Indicate whether there will be a board of directors—and if so, identify the initial board

There are a number of benefits to incorporating a community association. Incorporation:

- Limits the liability of individual owners for acts of the community association
- May make it easier to deal with other parties, such as utility companies or vendors

BYLAWS

Bylaws are formally adopted governing regulations for the administration and management of a community association. Planned communities, condominiums, and cooperatives all have bylaws. Sometimes bylaws are developed as part of the declaration. At other times, they are adopted as soon as a corporation is established.

Bylaws address such topics as:

- Requirements for membership in the community association
- Requirements for membership meetings
- Voting rights of member owners
- Procedures for electing the board of directors
- Procedures for the board of directors to elect officers
- General powers and duties of the board
- Provision for indemnification of officers and directors—except in cases of gross negligence or willful misconduct

To indemnify and hold harmless means:

- To exempt an individual or entity from responsibility for claims made against the organization
- To reimburse the individual or entity for damages or expenses incurred as a result of such claims

RESOLUTIONS

Rules and regulations for all three types of community associations are also established by means of board resolutions. A resolution is a motion that follows a set format and is formally adopted by the board of directors. Resolutions may enact rules and regulations or formalize other types of board decisions.

There are four types of resolutions for a community association:

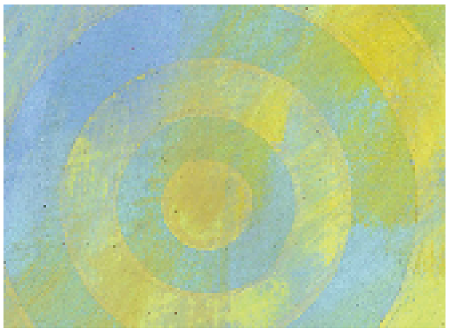
1. **Policy Resolutions.** These are resolutions that affect owners' rights and obligations. For example, rules for the use of common areas and recreational facilities, architectural guidelines, enforcement procedures, etc.
2. **Administrative Resolutions.** These are resolutions that address the internal operations of the community association. Examples include operating procedures, collection procedures, and where board meetings will be held.
3. **Special Resolutions.** These are resolutions stating board decisions that apply a policy or rule to an individual situation. For example, a decision about an alleged rule violation or authorization of a lawsuit constitutes a special resolution.
4. **General Resolutions.** These are resolutions which involve routine events. Examples include adoption of the annual budget or approval of a contract.

The power of the board to enact rules and regulations is generally defined in the declaration and/or the bylaws. Sometimes, the board's right to enact rules is limited by the requirement that the members approve the rules.

Resolutions should be kept in a *Book of Resolutions*. This is an orderly, indexed record of the resolutions adopted by the board. In some communities, it includes the resolutions adopted by the architectural guidelines committee as approved by the board.

CAI RESOURCES

ABCs: A Basic Course for Community Associations, by Katharine Rosenberry, ESQ.
The Homeowner and the Community Association, by Community Associations Institute



Section 5

COMMUNITY RULES, REGULATIONS, AND FEES

Membership in community associations is mandatory. When you buy a house or unit in a community association, your real estate agent should provide you with a copy of the rules and regulations of the community and information on the association dues.

It is a homeowner's responsibility to abide by the rules and regulations as set forth by the community association's governing documents.

PURPOSE OF RULES AND REGULATIONS

The fundamental purpose of community association rules is to provide a basis for protecting members' equity in the development and to provide the framework within which people can live in harmony in a group situation. Specific purposes of rules also include:

- Enforcing the community's CC&R's, bylaws, and policies in a fair, diplomatic way
- Protecting, enhancing, and promoting the purposes of the association as stated in the legal documents
- Restricting and governing the use of the common areas and amenities

- Establishing architectural guidelines and controls for aesthetic value
- Establishing rules for the use of facilities by owners, guests, and tenants
- Amplifying, expanding, clarifying, and interpreting the broad restrictions in the association's governing documents
- Protecting and preserving the property and assets of the association and the owners

Most rules are merely expressions of unit owners being courteous and considerate of their neighbors, and respectful of their rights and investment in the community. For a purchaser, the rules establish the standards of life-style of that particular community. He or she should look elsewhere if this is not the standard that he or she wants and is willing to support, maintain, and enhance as an owner-member.

COMMUNITY FEES

All community associations have fees (assessments) that must be paid to the association. Depending on the association, the assessments may be paid monthly, quarterly, or annually. The fees may cover such costs as:

- landscape and maintenance of common areas
- snow removal
- garbage collection
- street lighting
- fees for amenities (pool, tennis court, golf course, exercise room, etc.)
- social activities
- police patrol
- insurance

Many associations are now starting plans where the fees can be electronically drafted from your checking or savings account. Consequently, homeowners always have the right to review the financial documents of the association and to ask the board of directors where their money is going.

A legal report—the annual budget—is usually approved at the annual meeting of the association. Many associations distribute the

> *"An increase in assessment fees may be necessary periodically to ensure that income covers expenses. Common reasons for assessment hikes include [increases in contractual operating costs], deferred maintenance, uninsured losses and reserve funding. Boards of directors also have limited authority to levy special assessments, a one-time charge to cover nonroutine expenses."*
>
> —Community Associations Factbook
> *by Clifford J. Treese, CPCU, ARM*

annual budget of the association or make it available through the treasurer of the association, as required by the governing documents.

CAI RESOURCES

Be Reasonable! By Kenneth M. Budd

Community Associations Factbook, by Clifford J. Treese, CPCU, ARM

GAP Report #2: Architectural Control: Design Review, by Byron R. Hanke and Thomas S. Kenny

GAP Report #7: Drafting Association Rules, Fourth Edition, by Gurdon H. Buck

GAP Report #28: Pet Policies: How to Draft and Enforce Rules That Sit, Stay, and Heel, by Debra H. Lewin

Reinventing the Rules: A Step-By-Step Guide for Being Reasonable, by Lucia Anna Trigiani, ESQ.

Writing & Enforcing Parking Rules For Community Associations, by Community Associations Institute



Section 6

COMMUNITY GOVERNANCE

Community associations are composed of different groups of people working together. To govern a community association effectively, association leaders must understand the roles and responsibilities of these groups and how they interact. The groups are comprised of owners, board members, officers, and committees.

ROLE OF THE OWNERS

Although board members run community associations, governing documents and the law often reserve certain powers for the owners. For example, there are often provisions in the governing documents and the law stating that the owners must elect the board members. Also, some governing documents only permit owners to fill vacant positions on the board.

It is the owners—not the board members—who generally have the power to amend the declaration (master deed) or proprietary lease. The owners also may have the power to amend particular provisions of the bylaws, such as those dealing with the assessments and sale of common property. This usually requires consent from a specified percentage of the owners.

Along with these rights come obligations. The owners are obligated to adhere to the restrictions imposed in the governing documents. If they do not, a court can force them to comply.

Owners are also obligated to share in the financial operation of the community by paying their assessments on time. If they do not, the association may file a lien on their home and they may lose their home through foreclosure.

Although the owners do not have a legal obligation to actively participate in the association, the association will not be able to function if no one participates. Therefore, it is important for the board to foster a sense of community spirit to encourage participation.

ROLE OF THE BOARD

The board manages the community. The board's authority to act on behalf of the association is not, however, unlimited. The governing documents—and sometimes the law—grant the board the authority and obligation to act. They also restrict the board's ability to act. Provisions that *permit* the board to act use words such as *may*. Provisions that *obligate* the board to act use words such as *shall*.

The role and scope of authority of the board may be broad or specific, depending on the association's governing documents and the law. Some governing documents and state law provide the board with the same authority as a corporation. Others precisely state the powers of the board.

Examples of the powers generally granted by the governing documents and state law to the board include:

- the authority to set goals, standards, and policies for the association
- enforcing the governing documents
- maintaining the property
- maintaining the association's financial stability
- purchasing adequate insurance
- entering into contracts for services
- creating and supervising committees
- conducting annual meetings and board meetings

The board holds regular meetings as defined by the governing documents. Homeowners not on the board are always welcomed and encouraged to attend. The board also serves as advocates for homeowners. They are available to listen to suggestions and concerns and answer questions from homeowners.

CAI RESOURCES

ABCs: A Basic Course for Community Associations, by Katharine Rosenberry, ESQ.

Community Associations Factbook, by Clifford J. Treese, CPCU, ARM

Community Association Leadership: A Guide for Volunteers, Revised Edition, edited by Anne M. Calmes

Decision Making in Communities: Why Groups of Smart People Sometimes Make Bad Decisions, by Jasmine Martirossian

GAP Report #1: Community Association Management, Governance, & Services, by Clifford J. Treese, CPCU, ARM

GAP Report #18: The Role of the Association Secretary, Second Edition, by Anita Hagerty Schenk, PCAM, and P. Michael Nagle, ESQ.

GAP Report #22: The Role of the Association Treasurer, Second Edition, by Howard A. Goldklang, CPA, MBA

GAP Report #23: The Role of the Association President, Second Edition, by Robert T. Dennistoun

Homeowners Associations: A How To Guide for Leadership and Effective Participation, 7th Edition, by John Paul Hanna and Grace Morioca



Section 7

COMMUNITY MANAGEMENT

Each community association must decide which form of management best meets its needs, unless otherwise specified in the governing documents. There are three different types of community association management:

1. **Volunteer or self-management.** This is management of the association by the board itself or by committees under the direction of the board.
2. **Association-employed manager.** This is a manager directly employed by the community.
3. **Management company.** The manager is a representative of a management firm contracted by the community association.

Small associations generally tend to be self-managed communities. Self-managed community associations make up a majority of all associations; there are approximately 150,000 self-managed community associations currently in the United States. Such communities often lack the resources to acquire services from association-employed managers or professional community management firms. Volunteers in self-managed associations routinely invest significant contributions in terms of both time and effort to their communities.

Many larger associations choose to hire a management company to assist in maintaining their community. This is typically the case for mid-size to large communities. Management companies specialize in managing community properties. They are usually experts in landscaping issues, budget maintenance, board of directors' development, newsletter preparation, governing document development, and more. In addition, management companies are accustomed to serving as a contact with repair contractors, developers, local politicians, city/county or state government agencies, and other offices with which community associations need to work.

Large communities routinely have an on-site manager, who may either be an employee of the community association or an employee of a management company. Smaller communities who employ a management company are assigned a community manager who primarily performs duties off-site.

COMMUNITY MANAGER

The role of a community association manager is to implement the decisions of the board of directors; administer the services, programs, and operations of the association *within the policies and guidelines set by the board*; fulfill the terms of his or her contract or agreement; and, in the case of a professional manager, provide information, training, and, often, leadership to an inexperienced board as it sets policies and makes decisions.

A manager's authority and responsibility are defined and limited by:

- Governing documents which define the authority of the board to enter into a contract (some governing documents also require the board to retain a professional manager)
- The manager's management contract or employment agreement with the board
- Actions of the board which delegate specific authority and duties to the manager

There are four general areas in which managers perform services. Managers of small associations may perform only a few of these services and managers of large-scale associations may perform all of them.

1. **Fiscal service**—Billing and collecting assessments, paying bills, preparing the payroll for on-site personnel, preparing financial reports, budgets and reserve analyses, and maintaining financial records are some of the fiscal services managers can provide.
2. **Administrative and clerical service**—Administrative and clerical services include arranging and attending annual meetings, board meetings, and committee meetings; maintaining the membership roster, records, and files; preparing and processing transfer information on resale; preparing and distributing resident information packets; typing and distributing the newsletter; preparing special mailings; preparing the board orientation packets; reviewing standard operating procedures; conducting an inventory of association property; providing after-hour answering and emergency service; recording and processing work orders; and assisting in the hiring, firing, and supervising of on-site personnel and contractors.

3. **Building maintenance**—Managers occasionally provide building maintenance services such as janitorial, plumbing, and painting. More often, they are provided by on-site employees or outside contractors. The manager, however, can assist in the selection process and can monitor the work of the employees and contractors.
4. **Grounds maintenance**—Grounds maintenance services include maintenance of landscaping, recreational facilities, snow removal, trash collection, and sweeping. Like building maintenance, ground maintenance is generally performed by on-site employees or outside contractors. Again, the manager can assist in hiring and evaluating the performance of the employees and contractors. The manager can also provide periodic grounds inspection reports.

Since professional community managers are called upon to perform and oversee a wide variety of jobs, an effective manager must have a solid understanding of the principles of human resources, contracting, accounting, psychology, insurance, physical plant maintenance, education, government relations, board management, basic construction, and law.

Homeowners should look for managers who have earned professional certifications or designations to ensure their manager has achieved a specialized level of expertise to help their association run smoothly. The Certified Manager of Community Associations® (CMCA®) certification, administered by the National Board of Certification for Community Association Managers (NBC-CAM), and the Association Management Specialist™ (AMS™), Professional Community Association Manager® (PCAM®), Large-Scale Manager™ (LSM™), and Accredited Association Management Company™ (AAMC™) designations, administered by CAI, are credentials homeowners can look for that signify a specialized level of training and experience.

MANAGEMENT ETHICS

The term "ethics" refers to the specific choices to be made by an individual in his or her relationships with others. *Professional ethics* are the rules or standards that govern the conduct of members of a profession. The assumption is that the special expertise held by members of the profession holds them to a high standard of trust by others.

The manager of a community association has a professional duty to:

- Provide diligent and faithful service
- Give full disclosure of any matter that presents a potential conflict of interest for him or her
- Use reasonable care, diligence, and skill
- Avoid competing with the community association
- Avoid acting in conflict with the interests of the community association
- Avoid attempting to make any secret profits when acting on the community's behalf
- Account for anything of value he or she receives as a result of managing the association
- Avoid delegating more authority than he or she has received from the board

- Avoid acting on behalf of the community association after being terminated by the board

The most common ethical problem faced by community association managers is a conflict of interest or the appearance of one. For example, a manager or management firm acquires an interest in a company that is eligible to do business with the association—such as a landscape company.

Managers who have obtained the CMCA certification, or the AMS or PCAM designations, and management companies who have earned the Accredited Association Management Company (AAMC) designation, are committed to upholding the highest ethical standards. All must abide by the strict rules of conduct outlined by CAI's Professional Code of Ethics.

CAI RESOURCES

ABCs: A Basic Course for Community Associations, by Katharine Rosenberry, ESQ.

GAP Report #8: Choosing a Management Company, Fifth Edition, by Michael E. Packard, PCAM, CPM

GAP Report #19: Selecting the On-Site Manager, Second Edition, by Thomas Burgess

GAP Report #20: Conflicts of Interest, Second Edition, by Tonia C. Sellers and Jay S. Lazega

Self-Management: A Guide for the Small Community Association, Second Edition, by Debra H. Lewin and Ellen Hirsch de Haan, ESQ., Editors



Section 8

HOMEOWNER RIGHTS AND RESPONSIBILITIES

"Members of the homeowners association have two responsibilities, one to themselves and to their individually owned property and one to the association and the community concept. Apathy by individual members can render the association ineffective and can destroy the community concept. To maintain the quality of life that accompanies a well-maintained residential community, each individual member must do his or her part. The success of the homeowners association will depend on how well each member meets and keeps the responsibilities that are established by the covenants creating the overall community concept."

—***The Homeowners Association Manual,*** **by Peter M. Dunbar, ESQ.**

As a homeowner and a dues-paying member of the community association, owners are entitled to certain rights and, in return, have certain responsibilities. Included among these rights and responsibilities are each of the following:

1. **Use of Common Area**—The right to use the association easements, common areas, and recreational amenities is guaranteed to each unit owner. Owners are responsible for using them in accordance with the purposes for which they are intended.

2. **Membership and Voting Rights in the Association**—Every unit owner is entitled to membership in the homeowners association designated by the declaration of covenants as the managing entity for the community. On account of his or her membership in the homeowners association, each owner is assigned a voting interest in the association by the governing documents. Owners are responsible for becoming actively involved in association activities and for making their opinions known by means of voting in community elections.
3. **Participation in Association Affairs**—Each member has the right to participate in important parts of the association's decision-making processes. All members have the right to attend and participate in all meetings of the membership and to exercise their voting interest, either in person or by proxy, on any and all decisions made at such meetings, including the selection of directors in the association. Owners are responsible for taking advantage of this right by actively participating in their community association's affairs.
4. **Access to Association Records**—All records of a homeowners' association should be available to the association members. Upon request, it is appropriate for the association to provide a complete copy of the community's governing documents to any association member or prospective purchaser who asks for them. Owners are responsible for being knowledgeable about their association and remaining up-to-date on current issues facing the association.
5. **Financial Obligations**—The governing documents will specify the financial obligations for each parcel owner. In accordance with these obligations, each subsequent owner is liable for all assessments or amenity fees that come due while he or she is the owner. The association owner is afforded each of the aforementioned rights through abiding by his or her fiscal responsibility.

A FORM OF DEMOCRACY

Community associations are one of the most representative and responsive forms of democracy in America today. Residents of a community freely elect neighbors to serve on the board of directors of the community. Numerous other owners or residents serve on committees and help with special tasks as they arise.

Board members and committee members are volunteer leaders who meet regularly to discuss pertinent details about running their community. A board meeting at a community association is comparable to a town council meeting of a municipality.

The basic authority in a community association lies with the owners. However, the owners elect a board of directors to act on their behalf. Usually the governing documents delegate almost all of the association's decision-making powers to a board.

This leaves the owners with very few *direct* powers. Typically, owners have only the *voting* power to:

- Elect and remove directors
- Amend any of the governing documents, except board resolutions

Occasionally, owners will approve the annual budget for their association. But all other decisions are usually left to the board. As a result, if owners are unsatisfied with a board decision, they usually do not have the direct authority to "veto" or "undo" its action. Under such conditions, their only remedy is to elect a new board to represent them. On the other hand, the board has an obligation to listen to the owners' concerns and to take those concerns into consideration in making its decisions.

Formal means for obtaining owner input include the:

- Resident/owner forum at board meetings
- Participation of owners on committees
- Annual membership meeting

Other means of owner input include owner surveys and letters and suggestions from owners. Just as a board has the responsibility to encourage owner input via these means, owners have the responsibility to use them to make their views known.

Volunteers from community associations are clearly in charge of the operation and governance of their associations. These people are almost always unpaid volunteers, who devote their personal time to managing the affairs of their community.

CAI RESOURCE

The Homeowners Association Manual, Fourth Edition, by Peter M. Dunbar, ESQ.



Section 9

BUILDING COMMUNITY

"Common areas do not automatically create a sense of community. Nurturing the community spirit is probably the greatest challenge facing community associations today."

—***Community Associations Factbook,*** **by Clifford Treese, CPCU, ARM**

A community association combines the characteristics of a local government, a business, *and* a community. All three are necessary; the challenge is to balance their respective demands on homeowners and leaders alike.

It is easy to focus attention on the governance and business aspect of operating associations because of their immediacy. However, a strong sense of community among residents and clear lines of communication focus everyone's attention on the positive benefits of being a part of the community and encourage participation in association activities. As a result, governance and business operations become less problematic.

COMMUNITY SPIRIT

Fostering community spirit is an essential component to building vibrant, responsive, and healthy community associations. Building community spirit requires soliciting the opinions and input of residents and offering community harmony and spirit-enhancing programs that residents will enjoy. Resident involvement in community associations is increased when owners are actively involved in each of the stages of program development.

Community spirit means pride in a community. The community associations of today are like the neighborhoods of yesterday. Spirited communities, like safe neighborhoods, have higher sale values. Community spirit creates an emotional equity that sets communities apart from the rest.

To promote community spirit in your community, try one of the following activities:

- **Create a neighborhood assistance program**. Residents may wish to establish and participate in a neighborhood assistance program—such a program offers homeowners varying types of support. Services may include transportation for medical appointments and rides to the airport, meals for families with an illness or death in the family, loaner items for medical equipment such as canes and crutches, loaner items for grandparents with visiting grandchildren such as cribs and high chairs, and handyman services for small jobs.
- **Print a community T-shirt.** Print community T-shirts and sell them for $10 each. Place the community's logo on the front of the shirt and select a community motto to print on the back. Not only will this increase community spirit, but it also generates additional revenue for the association and serves as a great marketing tool.
- **Hold a clothing drive.** Collect residents' extra clothing items and distribute them to charitable organizations in your area.
- **Build and install park benches along walking trails and ponds.** Find the craftsmen in your community and have them build community park benches with materials provided by your association. This saves money and is a great community spirit project both for the volunteers and the enjoyment of the residents. Rent an auger for easy installation and don't forget to call your local utility companies to help you mark underground utilities!
- **Discover ways in your community to support local charities and schools.** A measure of success and contentment can be evaluated in the level of dedication to giving back to the greater community. Sharing your time, talents, and financial resources as individuals, small groups, and as a corporate entity is a true reflection of community spirit.
- **Recognize children.** Use your newsletter to highlight the accomplishments in academics and athletics for the teenagers in your community. Coordinate with high schools and your neighborhood parents to get a list of national honor students, first honor students, varsity athletes, and other special honors.
- **Sponsor a safety seminar.** Offer a safety seminar to educate parents and grandparents on important issues including bicycle safety, proper medical and medicine alert responses, and establishing Neighborhood Watch programs.

- **Promote health and well-being.** Use your community center to host a blood drive and/or blood pressure and cholesterol screening. Call your local hospital for area coordinators and services. Provide lemonade and cookies.
- **Schedule a poolside movie night.** Turn your aquatic center into a movie theater where people can relax on a lounge chair or float on a raft while watching a movie.
- **Conduct a resident survey.** Conduct a survey of membership opinions on community service and any other relevant issues facing your community. The results of such a survey will help your board and management to budget services. If your association can't hire an outside firm to conduct the survey, go door to door, send the survey via snail- or e-mail, or conduct it on your association's Web site.
- **Facilitate neighborhood block parties.** Use your newsletter to encourage each neighborhood in your community association to have an annual block party. This is a great way to meet new neighbors and foster community spirit. One or two families can be the "block heads" that coordinate the time and date; determine the needs for salads, entrees, and desserts; provide a few portable tables; secure the cul-de-sac from traffic; open their homes for restrooms; and dispose of trash. Potluck with a dish that serves six to eight usually works well. Individuals can bring their own lawn chairs.
- **Choose a signature shrub or tree and celebrate each Arbor Day.** Chose a shrub or tree as your association's signature plant, and each Arbor Day, plant a dozen in a ceremony keyed to your association's environment with adults and children participating. Negotiate a price with a landscape company to install these plants in resident yards on request and use the monthly newsletter as a reminder.
- **Publicize upcoming events via e-mail and the Web.** More and more community association members have Web sites and e-mail addresses—why not use them? They're an inexpensive way to promote upcoming special events and meetings. Additionally, residents can reply to the e-mails and board members can obtain instant feedback!
- **Publish event photos.** What better way to promote community spirit than to show non-participants all the fun that they're missing?

All of the above-mentioned activities are great in theory, but how do you really get residents involved? Here are some tips:

1. **Hook residents from the get-go.** When new owners move in, have a committee of neighbors personally welcome them to the community. Find out a little about the new residents and their interests. Let them know about the community and how it works. Follow-up with a phone call approximately four- to six-weeks later just to check in and to see if they have any questions. This is also a great time to have them fill out a questionnaire to find out the activities in which they would like to participate. Ask those who give you new and exciting ideas if they want to help organize the activity.

2. **Create activities for new residents**. Establish a "newcomers club" where new residents mingle each month with other new residents. Provide information at each monthly meeting, with rotating subjects, to help indoctrinate the members into the area. This will be a great social opportunity for those with the common bond of being newcomers. Make an effort to integrate the newcomers into the mainstream activities. Officially present discharge papers to "newcomers club" members after their two-year eligibility is up.
3. **Give away freebies.** Everyone likes to get something for nothing. Solicit a donation of goods or services as give-a-ways for your next event. The sponsor will gain visibility within your community and you'll draw more people to the activity. When residents attend the activity, they can mingle and learn more about the association and its benefits.
4. **Send thank-you notes**. When someone volunteers—in any capacity—ensure that they receive a thank you note, preferably from a board member. Knowing that the board or manager appreciates their involvement goes a long way.
5. **Board office hours**. One or more members of the board is available once every month to address residents' concerns or questions. The office hours and location should be published and well-known. The association's governing documents, resolutions, and meeting minutes should be available just in case residents want to see them. This interaction will show residents that the board cares about the community and that it is open to new ideas. It also personalizes the board and puts faces with sometimes-infamous names.
6. **Hold quarterly town hall meetings**. Community associations can hold quarterly town hall meetings dedicated to information sharing. Board members ought to present an agenda of current issues and conduct a question and answer forum. Town hall meetings are often very well attended.
7. **Look for a reason to celebrate**. Celebrate your association's successes. Celebrate holidays—big and small, traditional and quirky. It's a great way to meet neighbors and get people enthusiastic about the community.
8. **Sponsor association participation in community-wide events.** Don't limit involvement to the boundaries of your association. Encourage resident participation in local organizations such as the Boys and Girls Club, the YMCA, or Rotary Club. Send local officials and organizations your association's newsletter and upcoming programs so that they know about your association—and that your residents are ready to participate in their events.
9. **Support community awareness in local politics.** Use your community clubhouse or designated meeting space to host a "candidates' night" in October of an election year. This is a great way for residents to meet the candidates in either a night dedicated to each political party or in a debate forum. The candidates will eagerly provide refreshments for this opportunity. Allow an insert, paid by the candidates, in your November or October newsletter in a standardized information format that includes a 3x5 inch picture along with the candidate's short bio and campaign focus points. Appoint a group of volunteers that are willing to rotate atten-

dance at each local government meeting as liaisons for the association. The liaisons demonstrate your community's interest in governmental affairs, get early leads on issues, and report back to the board.

10. **Establish standing committees with meaningful responsibilities and clear charters.** If residents have defined roles and responsibilities with clear goals in sight, they're more apt to participate. Also, hold your social events at locations where people are already gathered. Have a pool party or a volleyball contest during operating hours. People who weren't originally planning on attending might get involved!

CAI RESOURCES

Best Practices Report #5: Community Harmony and Spirit, by Community Associations Institute Research Foundation

Community Associations Factbook, by Clifford Treese, CPCU, ARM

Community First! Emerging Visions Reshaping America's Condominium and Homeowner Associations, by Bill Overton, PCAM®, Editor

GAP Report #15: Communications for Community Associations, Fourth Edition, by Debra H. Lewin

GAP Report #16: Revitalizing Apathetic Communities, Third Edition, by Carol Paul, PCAM®

GAP Report #26: Alternative Dispute Resolution & Consensus Building for Community Associations, Second Edition, by Mary Avgerinos

THOUGHT/DISCUSSION QUESTIONS

Use the following questions to help you apply the information in *An Introduction to Community Association Living* to your own situation.

1. Find out whether your local government imposes requirements in terms of codes, laws, and/or taxes that your community association must meet.
2. Find out which state statutes, if any, apply to your community association.
3. Look at a copy of any recorded map, plat, or plan for your community association. What can you learn from it?
4. Review your community's declaration, CC&R's, or master deed, if it has one. What does it tell you about:
   - Ownership of different portions of the association?
   - Owner-to-owner relationships and community-to-owner relationships?
   - Administration of the community?
   - The transition of control of your association from the developer to the owners?
5. Review your community association's proprietary lease or occupancy agreement, if it is a cooperative. What does it tell you about member/stockholder and corporate rights and obligations?
6. Review your association's articles of incorporation, if it is incorporated. What general topics do the articles address?
7. Review your association's bylaws. What general topics do the bylaws address?
8. Find out where your association keeps its resolutions. How are they organized? Can you find examples of each of the four types of resolutions a community association can adopt?
9. Review your association's governing documents, including its resolutions. What management-related authority and responsibilities, if any, do they assign to:
   - Your community?
   - Its board of directors?
   - Its committees?

10. What steps does your association take to encourage owner input in board decisions?

11a. What steps does your association take to insure effective communication between the board and volunteer committees?

b. What recommendations can you make to your volunteer leaders to improve your community's committees?

12a. Do you know anyone who has faced a conflict of interest or the appearance of conflict in exercising his or her association responsibilities? How did he or she handle it?

b. After reading this primer, would *you* have handled the situation any differently?

ACTIVITY:
Community Association True or False

1. There are an estimated 250,000 community associations in the United States. True False
2. About 40% of all U.S. condominium associations are concentrated in these two states: Ohio and New York. True False
3. Each year, 2,000 to 3,000 new community associations are formed. True False
4. An estimated 50 million Americans live in condominiums, cooperatives, and homeowner associations today. True False
5. Approximately 50% of all new homes built in major metropolitan areas fall within community associations. True False
6. Condominiums are the most common of the three types of community associations. True False
7. Community associations are found in countries around the world, not just the United States. True False
8. Planned communities were first developed in the 1800s. True False
9. The average monthly assessment for a community association homeowner is $250 dollars. True False
10. Seventy-five percent of community association homeowners are very or extremely satisfied with their community. True False

Statistics for this activity were excerpted from:

The *Community Association Factbook (*1999 edition), by Clifford Treese, CPCU, ARM; and

The *National Survey of Community Association Homeowner Satisfaction*, conducted by the Gallup Organization in 1999.

Answers 1. True 2. False 3. False 4. True 5. True 6. False 7. True 8. True 9. False 10. True

REFERENCES

The following publications are excellent resources for those new to community association living or those interested in obtaining additional information about community associations. For further information on any of these publications, call CAI for a Bookstore catalog at (703) 548-8600 or visit the online Bookstore at www.caionline.org/bookstore.cfm.

ABCs: A Basic Course for Community Associations, by Katharine Rosenberry, ESQ. Published by Community Associations Institute. Designed for homeowners interested in moving into a leadership position or playing a more active volunteer role in their community association. (To obtain a copy of this publication contact your local CAI chapter.)

Be Reasonable! by Kenneth M. Budd. A compendium of expert opinions from over 30 leading community association attorneys, managers, and directors. Learn effective strategies for drafting and enacting reasonable rules, identifying unreasonable rules and restrictions, and working with owners. Find out about reasonable enforcement procedures—from making exceptions to providing due process. Practical applications are illustrated through discussion of court cases and real-life controversies.

Best Practices Report #5: Community Harmony and Spirit, Community Associations Institute Research Foundation. Debuted in October 2001 at CAI's Community Leadership Forum, this publication is part of a series of reports that the Community Associations Institute Research Foundation has developed to provide function-specific best practices in the community association industry. Offers practical advice on how to foster community harmony and spirit and provides innovative methods for increasing resident involvement in association activities. Includes case studies of community associations with demonstrated successes.

Community Associations Factbook (1999 edition), by Clifford J. Treese, CPCU, ARM. Published by Community Associations Institute. The first comprehensive analysis of community associations undertaken since 1993, the "Factbook" documents stunning growth in the community association population and evolution in association business, governance, and community-building responsibilities.

Community Association Law: Cases and Materials on Common Interest Communities, by Wayne S. Hyatt, ESQ. and Susan F. French. Contains more than 300 legal cases illustrating concepts. Topics include types of common interest communities; creating common interest communities; association functions and powers; constitutional issues; association governance, financing, design standards and control; rule enforcement; amending governing documents; liability; and declarant control of board and transition. Fully indexed and copiously noted.

Community Association Law Reporter, by Wayne S. Hyatt, ESQ., Editor. Written expressly for attorneys who represent cooperatives and condominium and homeowner associations, this monthly newsletter brings you important, current information about cases and court decisions. Use this information from precedent-setting cases to formulate your own legal strategies. Covers more than fifty significant cases per year involving issues such as developer liability, lenders' rights and remedies, use restrictions, covenant compliance, assessment collection, and much more.

Community Association Leadership: A Guide for Volunteers, by Anne M. Calmes, Editor. CAI bestseller that will help you accomplish two goals necessary in any association: attracting more residents to association volunteer work and enabling them to perform better by gaining a thorough understanding of committee work and the volunteer's role.

Community First! Emerging Visions Reshaping America's Condominium and Homeowner Associations, by Bill Overton, CMCA®, PCAM®, Editor. Breaks new ground by reorienting associations toward a higher mission and enhancing a sense of community. Describes how the "building community" concept can be adopted and put into practice by developers, lawyers, community association managers, homeowners, public officials, and others. Offers a broad vision of communities and much food for thought. Stirs debate and, where appropriate, creates a new standard—a new model—for this important segment of America's future.

Condominium and Homeowner Association Practice: Community Association Law, Third Edition, by Wayne S. Hyatt, ESQ. Contains a comprehensive overview of the basics of community association ownership, including creating associations, governance, financing, design standards, enforcement, liability, and amending documents. Explains the practical aspects of the development and sales process, including the theory and practice of drafting, the developer's role, and the transition process. Describes the lawyer's role in representing the association. Appendices include a document drafting checklist, a sample table of contents for the declaration of a condominium association, and a sample table of contents for the bylaws of a condominium association.

Decision Making in Communities: Why Groups of Smart People Sometimes Make Bad Decisions, by Jasmine Martirossian. Presents a fascinating look at the unseen forces that affect groups of people in community associations—including boards, management teams, and committees—and the decisions they make.

GAP Report #1: Community Association Management, Governance, & Services, by Clifford J. Treese, CPCU, ARM. Published by Community Associations Institute. A primer for new volunteer leaders, as well as new managers. Describes the operational duties of management including meetings, elections, compliance with rules, and how to work with professionals.

GAP Report #2: Architectural Control: Design Review, by Byron R. Hanke and Thomas S. Kenny. Contains policy considerations, architectural review criteria and enforcement advice, and even suggests a design committee program. Also included: sample design guidelines to help you develop or update your own association manual.

GAP Report #7: Drafting Association Rules, Fourth Edition, by Gurdon H. Buck. Will not only help ensure compliance with rules, but will also provide input for rules you may have overlooked. Covers the legal basis for rule making, offers guidelines, and contains an Appendix with sample community association rules that cover practically everything from rubbish to the swimming pool.

GAP Report #8: Choosing a Management Company, by Michael E. Packard, PCAM®, CPM. Published by Community Associations Institute. Contains criteria for selecting a company as well as useful tips on bid specifications, identification of potential candidates, requests for proposals, onsite meetings, the interview process, and analysis of proposals. Also offers a section on working with your management company.

GAP Report #13: How to Select & Use an Attorney, by Thomas J. Hindman, ESQ. and Lynn S. Jordan, ESQ. Loaded with important advice on how to get the best out of your association attorney as well as what to consider when searching for a new one. Offers guidance for working out various fee structures and includes a five-part Appendix consisting of a sample request for proposal, interview questions, evaluation criteria, billing statement, plus the American Bar Association Model Rule of Professional Conduct.

GAP Report #15: Communications for Community Associations, Fourth Edition, by Debra H. Lewin. Contains all-new sections on personal communications, public relations, communicating with policy makers, and communications technology. Includes updated and expanded chapters on newsletters, meetings, annual reports, directories, and surveys. Describes how to build a positive and powerful relationship with your homeowners through relevant hints and how-to's.

GAP Report #16: Revitalizing Apathetic Communities, Third Edition, by Carol Paul, PCAM®. Covers goal setting, creating and maintaining enthusiasm, recruiting volunteers, forming committees, and improving your communications with residents. Appendices include a board burnout test, tips on dealing with apathetic board members, advice for new board members, sample goal sheet, and a committee meeting report.

GAP Report #18: The Role of the Association Secretary, Second Edition, by Anita Hagerty Schenk, PCAM®, and P. Michael Nagle, ESQ. Filled with advice on every aspect of the work of corporate, recording, and corresponding secretaries. Covers such subjects as meeting preparation, maintaining lists, how to establish an effective filing system, and how long to keep documents. Answers many legal questions you may have. Includes samples of agendas, minutes, and forms.

GAP Report #19: Selecting an On-Site Manager, by Thomas Burgess, PCAM®. Published by Community Associations Institute. Valuable resource for determining job criteria, finding and screening candidates, as well as investigating leading candidates. Appendices also include a sample employment agreement and the CAI Professional Manager Code of Ethics.

GAP Report #20: Conflicts of Interest, by Tonia C. Sellers, ESQ. and Jay S. Lazega, ESQ. Published by Community Associations Institute. Provides standards for both boards and managers. Highlights areas of activity in which actual or potential conflict may arise and suggests actions to take when a conflict does arise. Covered are fiduciary duty obligations, conduct of the directors, managerial conflicts, ethics policies, board conflicts, and a host of other topics. Also contains sample policies, resolutions, code of ethics, and cases.

GAP Report #22: The Role of the Association Treasurer, Second Edition, by Howard A. Goldklang, CPA, MBA. Outlines in detail the duties of the treasurer and offers advice on most types of letters, reports, and tax documents treasurers are required to produce. Also contains suggestions for working with the board and residents, including tips on dealing with delinquencies and record retention.

GAP Report #23: The Role of the Association President, Second Edition, by Robert T. Dennistoun. Useful both to newly elected presidents and anyone who now holds the title. Defines the dual role of the president and offers invaluable advice and suggestions on the president's relationships with the board, other association officers, and the residents. Helps to develop goals, set priorities, and to communicate them to the stakeholders. Also contains tips on governance topics such as using committees effectively, long-range goal planning, and promoting volunteerism and cooperation within the community.

GAP Report #26: Alternative Dispute Resolution & Consensus Building for Community Associations, Second Edition, by Mary Avgerinos. Provides associations with an alternative to the traditional justice system and has been embraced by attorneys and judges alike. Learn techniques for avoiding disputes as well as managing them when they come up. Covers the key ADR techniques such as negotiation, mediation, and arbitration, and also covers how you can build consensus to support your point of view. Provides samples of many useful letters, documents, and agreements.

GAP Report #28: Pet Policies: How to Draft and Enforce Rules That Sit, Stay, and Heel, by Debra H. Lewin. "A blueprint for how to deal with one of the most troublesome issues." Written in a lighthearted, straightforward style, offers practical suggestions, helpful alternatives, and lots of new information on societal changes that impact your association's approach to pets.

Homeowners Associations: A How To Guide for Leadership and Effective Participation, 7th Edition, by John Paul Hanna, ESQ. and Grace Morioca. Covers all aspects of efficient association management including: adopting a budget, consulting professionals, billing for assessments, planning for reserves, using liens to collect fines, handling construction defects, actions against developers, filing taxes, dealing with disability regulations, managing toxic materials, and maintenance of roofs, fences, and balconies.

Journal of Community Association Law, Community Associations Institute. Focuses on the highly-specialized and rapidly changing field of community association law. Reports on significant cases nationwide, analyzes case notes, and provides expert commentary. Keeps you up to date on important legal trends. An excellent and timesaving supplement to your research and a must-have for your library.

National Survey of Community Association Homeowner Satisfaction (1999). CAI Research Foundation commissioned a national survey of homeowners to determine opinions on overall community satisfaction, governance, safety, rule enforcement, and programming. The results are compiled in this volume with both graph and text descriptions of the results. Includes demographic comparisons between community association and non-community association homeowners.

Reinventing the Rules: A Step-By-Step Guide for Being Reasonable, by Lucia Anna Trigiani, ESQ. Describes in detail the challenge that must be met to put our communities first—by looking at rules from a new perspective. This new publication asks homeowners to think in new terms, look at rules old and new and ask—are they reasonable.

Self-Management: A Guide for the Small Community Association, Second Edition, by Debra H. Lewin and Ellen Hirsch de Haan, ESQ., Editors. Addresses the unique role of the self-managing board, and presents significant information on financial management, insurance, meetings, communications, and taking over from the developer. Provides information on governing documents, compliance with rules, working with professionals, maintenance, public policy, and important legal considerations like fair housing and fair debt collection. Appendices include model documents, sample forms, and helpful checklists.

The Homebuyer and the Community Association. Published by Community Associations Institute. This informative brochure provides basic information about community associations for prospective residents. It explains how community associations operate; defines amenities, assessments, governing documents and management types; and lists important questions that should be considered before a home purchase.

The Homeowner and the Community Association. Published by Community Associations Institute. This brochure describes how an association functions as a business, a community, and a form of governance; defines the roles and responsibilities of homeowners and boards; and explains assessments, governing documents, architectural controls, management, and insurance.

The Homeowners Association Manual, Fourth Edition, by Peter M. Dunbar, ESQ. The first complete practical guide for the operation of homeowners associations. It's an excellent overall guide for leaders and board members of single-family, townhome, condominium, mobile, and master-planned community associations.

Writing & Enforcing Parking Rules For Community Associations, Community Associations Institute. Helps solve most parking problems via sample rules, provisions, agreements, letters to residents, and even violation notices. Contains expert advice on how to overcome one of the biggest hurdles in parking—communicating with the residents.

A MESSAGE FROM CAI

CAI is the national, nonprofit membership organization that serves as an advocate for community associations. CAI helps your association work efficiently as a business; educates board members to work effectively as a government; and encourages all who govern, manage, or serve associations to enhance the lifestyle of residents in the community.

The Institute's purpose is to foster effective community associations and to encourage a spirit of community. CAI draws on the collaborative wisdom of its member attorneys, accountants, managers, developers, builders, homeowner leaders, service contractors, and others to address timely topics that make a difference in the lives of those who live in the 250,000 associations throughout the nation.

CAI works to protect the interests of all its members in state and federal legislatures and courts. As CAI seeks legislative assistance regarding insurance, assesses the impact of the latest telecommunications bill, or advocates tax equity for associations and their members, CAI is working for *you*. CAI acts as a powerful force in effecting change through the mobilization of members across the country. The Institute's legislative advocacy efforts achieve results on local, state, and national levels.

CAI educates its members through award-winning publications and elevates professional standards through top-notch education programs. Through these educational opportunities, CAI sets national standards for community associations, provides consumer protection, and advances skills and knowledge in the operation and management of associations.

CAI has 15,500 members in 55 chapters across the country. For information on the resources available to you through CAI, call (703) 548-8600 or visit www.caionline.org.

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